

AMENDED IN SENATE APRIL 17, 2006

AMENDED IN SENATE MARCH 20, 2006

SENATE BILL

No. 1268

Introduced by Senator Cedillo

February 9, 2006

An act to add Section 53083 to the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

SB 1268, as amended, Cedillo. Economic development subsidies: review by local agencies.

(1) Existing law provides for various programs for economic development activities by state and local agencies.

This bill would, *beginning January 1, 2007*, require each local agency ~~with responsibility for economic development activities within its jurisdiction~~ to provide specified information to the public before approving any economic development subsidy, as defined, within its jurisdiction, and to review, hold hearings, and report on those subsidies at specified intervals. By requiring a higher level of service of local agencies, this bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 53083 is added to the Government
2 Code, to read:
3 ~~53083. (a) Each local agency with responsibility for~~
4 ~~economic development activities within its jurisdiction shall,~~
5 *53083. (a) On and after January 1, 2007, each local agency*
6 *shall, prior to approving any economic development subsidy*
7 *within its jurisdiction, provide all of the following information in*
8 *written form available to the public, and through its Web site, if*
9 *applicable:*
10 (1) The name and address of the entity or individual that is the
11 beneficiary of the economic development subsidy, if applicable.
12 (2) The start and end dates and schedule, if applicable, for the
13 economic development subsidy.
14 (3) The total amount of the expenditure of public funds, funds
15 by, or of revenue lost to the jurisdiction, as a result of the
16 economic development subsidy.
17 ~~(b) The local agency shall review each economic development~~
18 ~~subsidy no less than every two years, except that economic~~
19 ~~development subsidies that apply for 40 years or more shall be~~
20 ~~reviewed no less than every 5 years.~~
21 ~~(c) The local agency shall hold a public hearing no less than~~
22 ~~every two years for each economic development subsidy~~
23 ~~program under its jurisdiction.~~
24 *(b) On or before October 1, 2009, and on or before October 1*
25 *in each odd-numbered year thereafter, the local agency shall*
26 *prepare a report for each economic development subsidy*
27 *approved after January 1, 2007. For an economic development*
28 *subsidy that will exist for 40 years or more, the report shall be*
29 *prepared only once every six years. The report shall contain the*
30 *information described in subdivision (a). The local agency shall*
31 *make the report available to the public and through its Web site,*
32 *if applicable.*
33 *(c) On or before November 1, 2009, and on or before*
34 *November 1 in each odd-numbered year thereafter, the local*
35 *agency shall hold a public hearing to consider any written or*

1 *oral comments on the information contained in the report*
2 *prepared pursuant to subdivision (b).*

3 (d) The local agency shall provide a final report at the
4 conclusion of each economic development subsidy that would
5 include, but not be limited to, the information described in
6 subdivision (a), in written form available to the public, and
7 through its Web site, if applicable.

8 ~~(e) For purposes of this section, “economic development~~

9 *(e) As used in this section, the following terms have the*
10 *following meanings:*

11 (1) “Local agency” means a city, including a charter city,
12 county, city and county, and community redevelopment agency.

13 (2) “Economic development subsidy” means any expenditure
14 of public funds or loss of revenue to a local agency in the amount
15 of twenty-five thousand dollars (\$25,000) or more, for the
16 purpose of stimulating economic development within a local
17 ~~jurisdiction~~ agency, including, but not limited to, bonds, grants,
18 loans, loan guarantees, enterprise zone or empowerment zone
19 incentives, tax-increment financing, fee waivers, land price
20 subsidies, matching funds, tax abatements, tax exemptions, and
21 tax credits.

22 SEC. 2. The Legislature finds and declares that the right of
23 the public to be informed of economic development subsidies
24 ~~implemented within their local jurisdictions, as described in~~
25 *approved by their local agencies, as described in* Section 53083
26 of the Government Code, as added by Section 1 of this act, is a
27 matter of statewide concern, *and not a municipal affair, as that*
28 *term is used in Section 5 of Article XI of the California*
29 *Constitution.*

30 SEC. 3. If the Commission on State Mandates determines that
31 this act contains costs mandated by the state, reimbursement to
32 local agencies and school districts for those costs shall be made
33 pursuant to Part 7 (commencing with Section 17500) of Division
34 4 of Title 2 of the Government Code.